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## **OLR Bill Analysis**

### **sHB 6366**

#### ***AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF HOUSING.***

##### **SUMMARY:**

PA 12-1, June Special Session, established a Department of Housing (DOH) headed by a commissioner, and made it the lead state agency responsible for all housing matters, including housing and neighborhood policy, development, redevelopment, preservation, maintenance, and improvement. The act also established the Interagency Council on Affordable Housing to advise and assist the DOH commissioner in planning and implementing the department (see BACKGROUND).

The act placed DOH in the Department of Economic and Community Development (DECD) for administrative purposes only and made it DECD's successor with respect to its housing-related functions, powers, and duties (including community development, redevelopment, and urban renewal).

This bill completes DOH's establishment by transferring to it various responsibilities from DECD, the Office of Policy and Management (OPM), and the Department of Social Services (DSS). Under the bill, the DOH commissioner generally assumes responsibility for programs concerning:

1. affordable housing development and financing,
2. individual and group housing,
3. certain rent subsidies,
4. eviction and foreclosure prevention,
5. shelter provision and transitional living, and

6. homeownership.

The bill does not transfer (1) administration of the federal Low-Income Housing Tax Credit program or (2) compliance oversight for properties in the state housing portfolio, both of which remain with the Connecticut Housing Finance Authority (CHFA). Nor does the bill transfer programs providing clinical services to certain populations (e.g., individuals with mental illness), which remain with DSS and the Department of Mental Health and Addiction Services, for example.

The bill specifies that any DOH or DECD orders or regulations in force on January 1, 2013 remain so until amended, repealed, or superseded by law.

The bill makes numerous conforming and technical changes.

EFFECTIVE DATE: July 1, 2013, except the provision (1) adding the DOH commissioner to CHFA's board of directors takes effect upon passage and (2) removing the rental rebate program for the elderly and people with total and permanent disabilities from OPM's jurisdiction takes effect July 1, 2013 and applies to assessment years commencing on or after October 1, 2012.

**§§ 2, 17, 33-34, 43-44, 52, 55-58 — DOH**

**§§ 33-34, 44, 52 & 57-58 — *Commissioner***

By law, the DOH commissioner is responsible for developing policies and strategies to encourage housing provision in the state, including for very low-, low-, and moderate-income families. The bill adds the commissioner, or his or her designee, to the following entities, increasing their membership by one:

1. Building Accessibility Taskforce, beginning July 1, 2013;
2. CHFA's board of directors;
3. Capital Region Development Authority's (CRDA) board of directors; and
4. Interagency Council for Ending the Achievement Gap.

The bill also adds the housing commissioner to the list of officials the OPM secretary must consult with to (1) develop recommendations for the state's priority funding areas for growth-related projects and (2) coordinate state and regional transportation planning with other state planning efforts.

**§ 2 — Deputy Commissioner**

The bill authorizes the commissioner to appoint a deputy commissioner, whom it exempts from classified service. The appointee must be qualified by training and expertise and assume the commissioner's powers and duties if he or she is unable to perform them, or is disqualified from doing so.

**§§ 43, 55 & 56 — Annual Report**

The bill generally requires the DOH, rather than the DECD, commissioner to report annually to the governor and the General Assembly on the state's housing and community development activities during the preceding fiscal year. Within 30 days after submitting it, the commissioner must post the report on the department's website. The law requires DECD to report by February 1<sup>st</sup> each year. The bill does not specify when DOH's first report is due.

As under current law, the annual report must cover or include:

1. the department's housing development functions and activities,
2. the state-funded housing development portfolio,
3. an economic impact analysis of the department's housing development efforts and activities,
4. the Housing Trust Fund and Housing Trust Fund Program,
5. the Energy Conservation Program,
6. a summary of the total social and economic impact of the department's community and housing development efforts and activities,

7. an assessment of the department's performance in meeting its stated goals and objectives, and
8. an analysis of the department's community development portfolio.

Existing law, unchanged by the bill, requires DECD's annual report to also include an analysis of its community development portfolio (i.e., the last reporting requirement listed above) even though, by law, DOH has assumed responsibility for community development activities.

The bill specifies that DOH's annual report to the governor and General Assembly must incorporate any other annual reporting requirements set by statute concerning housing or community development. It is unclear whether this report should incorporate the rental rebate report described below, which the bill requires to be submitted separately to the Finance Committee.

***Rental Rebate Report.*** The bill requires DOH, rather than OPM, to report annually to the Finance Committee on the rental rebate program for the elderly and people with total permanent disabilities. Current law requires OPM to submit this report by March 1<sup>st</sup> each year. The bill does not specify when DOH's first report is due.

#### **§ 17 — *Interagency Council on Affordable Housing***

By law, the council is responsible for advising and assisting the DOH commissioner in planning and starting up the department. The bill adds the following three members to the council, bringing its membership to 16: the (1) commissioners of education and developmental services and (2) president of the Connecticut chapter of the National Association of Housing and Redevelopment Officials (commonly known as CONN-NAHRO), or their designees.

#### **§§ 3, 8-12, 14-16, 18, 19-32, 35-36, 44-45 — DECD**

The bill gives DOH authority over state housing and community development programs. To accomplish this, it transfers to DOH DECD's responsibilities with respect to, among other things:

1. working with and providing financial assistance to CHFA to achieve the state's housing and community development goals (§§ 8-10);
2. the state supplier diversity program (formerly called the set-aside program) (§ 11);
3. the affordable housing land use appeals procedure, including maintenance of the assisted housing inventory (§§ 12 & 20);
4. the state's consolidated plan for housing and community development (§ 15);
5. the State-Assisted Housing Sustainability Fund (§ 23);
6. congregate housing for the elderly (§§ 3 & 27-28);
7. independent living for low- and moderate-income individuals with disabilities (§§ 3 & 29);
8. rental assistance for elderly people residing in state-assisted rental housing (known as ERAP) (§§ 30-31);
9. the community housing land bank and land trust program (§ 32);
10. housing development zones (§§ 3 & 35);
11. the homeownership loan program (§ 3);
12. grants-in-aid to municipalities financing low- and moderate-income rental housing (§ 3);
13. the Energy Conservation Loan Fund (§ 3);
14. condominium conversion compliance (§ 3); and
15. the Common Interest Ownership Act (§ 3).

The bill requires DOH to consult with the newly established Department on Aging, rather than DSS as DECD must currently do, in

providing services to people with disabilities under the congregate housing program (see BACKGROUND).

The law requires DECD to give preference in its grant and loan programs to energy efficient projects. The bill extends this requirement to DOH.

**§§ 3, 37-43 & 56 — OPM**

The bill transfers, from OPM to DOH, responsibility for administering the (1) Housing for Economic Growth Program (i.e., incentive housing zone program) and (2) rental rebate program for the elderly and people with total and permanent disabilities.

The bill gives the DOH commissioner 120 days, instead of 90 days as OPM has under current law, to approve payments to municipalities, and forward them to the comptroller under the rental rebate program. By law, the comptroller must draw an order on the treasurer no later than 15 days after receiving the list of approved payments.

OPM remains responsible for administering the Homeowners' Tax Relief Program for the elderly and people with disabilities (known as the Circuit Breaker Program).

**§§ 3, 13, 46-51 — DSS**

The bill transfers, from DSS to DOH, responsibility for administering:

1. homelessness prevention programs, including emergency shelter services, transitional housing services, and on-site social services;
2. housing for individuals suffering from AIDS;
3. the rent bank program;
4. the assessment and mediation program for certain families at risk of becoming homeless or in imminent danger of eviction or foreclosure; and

5. the security deposit guarantee program.

The bill also transfers, from DSS to DOH, responsibility for administering (1) the homefinders program to help families who are homeless or in danger of eviction or foreclosure and (2) emergency rental assistance for families living in hotels and motels and eligible for the Temporary Family Assistance program. In administering these programs, DOH must consult with DSS.

DSS remains responsible for the state rental assistance programs it currently administers, other than emergency rental assistance described above. However, the bill removes DSS' designation as the agency responsible for administering the federal Housing Choice Voucher Program and Section 8 of the Housing Act of 1937. It does not transfer this responsibility to DOH or another agency.

The bill requires DSS and CHFA to collaborate with DOH, rather than DECD, to operate a demonstration project to provide subsidized assisted living for people residing in affordable housing.

The law prohibits with certain exceptions, DSS from disclosing information concerning individuals who apply for or receive department assistance, or participate in a department program. The bill requires DSS to disclose to the DOH commissioner's authorized representatives information necessary for administering the rental rebate program.

#### **§§ 34 & 53 — MISCELLANEOUS**

The bill removes the DECD commissioner as the chairperson of CHFA's board, instead requiring the governor to make that appointment. It also authorizes CRDA to enter into memoranda of understanding as it deems appropriate to carry out its responsibilities.

#### **§ 68 — REPEALERS**

The bill repeals provisions concerning:

1. the sale of rental property by a housing authority between October 1, and November 30, 2003 (CGS § 8-45b);

2. a pilot program requiring that certain multifamily housing projects be adaptable for use and occupancy by people with disabilities (CGS § 8-81a);
3. the Housing Advisory Committee (CGS § 8-385);
4. a homeowner loan program that terminated on June 1, 1991 (CGS §§ 8-415 to 8-419);
5. the Home Heating System Loan Fund, which the state treasurer terminated on July 15, 1985 (CGS § 16a-40k); and
6. a pilot project to provide affordable housing and support services to families with children who have ongoing healthcare service needs (CGS § 17a-54a).

## **BACKGROUND**

### ***Related Bill***

sSB 837 (File 110) requires DOH to consult with the Department on Aging in providing services to people with disabilities under the congregate housing program.

### ***Interagency Council on Affordable Housing***

PA 12-1, JSS, requires the Interagency Council on Affordable Housing to advise and assist the DOH commissioner in planning and implementing the department. By January 15, 2013 and in consultation with the DOH commissioner, it required the council to report to the governor and the Appropriations, Housing, and Human Services committees with recommendations on:

1. transferring programs to DOH and an implementation timeline,
2. effective changes to the state's housing delivery systems,
3. prioritizing housing resources, and
4. enhanced coordination among housing systems.

### ***Department on Aging***



The law established a Department on Aging effective January 1, 2013, and transferred to it all functions, powers, duties, and personnel of the DSS Aging Services Division.

***Legislative History***

The House referred the bill (File 308) to the Appropriations Committee, which reported a substitute eliminating provisions in the prior bill that transferred from DSS to DOH responsibility for (1) the rental assistance program (known as RAP), including transitional assistance and (2) designating an entity to operate a website on which certain Housing Choice Voucher Program Internet publications are posted.

**COMMITTEE ACTION**

## Housing Committee

Joint Favorable Substitute

Yea 10 Nay 0 (03/14/2013)

## Appropriations Committee

Joint Favorable Substitute

Yea 45 Nay 6 (04/22/2013)